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**INFORMATION REPORT** CD NO.

COUNTRY Malaya

DATE DISTR. 28 Sep 50

SUBJECT TAN Lark Sye and the Aik Hoe Rubber Factory Fire

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SUPPLEMENT TO  
REPORT NO.

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1. TAN Lark Sye,\* President of the Singapore Chinese Chamber of Commerce and owner of the Aik Hoe Rubber factory, is suspected by many Singapore residents, including certain reputable local businessmen, of having permitted Malayan Communist Party (MCP) terrorists to destroy his factory by fire on 27-28 July, 1950.
2. This suspicion is based on the fact that delivery on many of TAN's future sales was due at a time when the price of rubber had reached the high of \$1.27 per pound. TAN and certain of his close business associates attempted to sell rubber from TAN's warehouse to Chinese friends two days prior to the fire at 90 cents per pound if no records were kept and if no publicity was given to these transactions.
3. TAN did not observe the precautions recommended by the Police and Fire Departments for the protection of the plant. There is no doubt that the fire was started by employees of the factory who probably are members of the MCP, and who may have received permission from TAN and the firm's directors before starting the fire.
4. Some Singapore businessmen believe that TAN had no connection with the fire, and that although he suffered a substantial loss, he is insisting on filling his contracts although his stock was burned and he could get out of this responsibility. TAN is reported to be purchasing on the open market at tremendous losses.
5. The fire loss was \$12,000,000. TAN reportedly had insurance for \$7,000,000 on the rubber stocks, with another policy covering the buildings. TAN, who does not appear to be very concerned, cheerfully remarked at a dinner party the night after the fire that he had planned to rebuild the plant.
6. The Aik Hoe plant was one of the largest in Malaya, and its loss will be felt. K. G. LEE's plant, the largest factory in the area, is now flourishing.

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7. TAN has been informed by certain leftist elements in Singapore that his factory was burned by the MCP because he donated (Straits) \$300,000 to the University of Malaya. However, none of the MCP propaganda on the subject of the fire which has been confiscated has given any indication that this was a reason for the arson. Thus, it appears that the leftist elements circulating the claim about the donation may be using the story in an effort to keep TAN on their side.
8. TAN has approached LAU Bo Tan and NG Ek Huan to arrange for the Amoy University Old Boys' Association and the Chip Bee Old Boys' Association to send a letter consoling him on the loss of his factory and to thank him for his contributions to educational institutions in China totalling \$3,000,000. This letter was published in the Nanyang Siang Pao on 4 August 1950.
9. TAN has taken over the Crepetex Factory in Senai, Johore, which is owned by TAN Kok Kheng, son of TAN Kah Kee. NG Ek Huan is believed to have a financial interest in this factory which has a monthly output of 6,000 to 7,000 piculs\*\* of rubber.

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Comment. The standard weight of a picul of rubber in Malaya is 133 1/3 pounds.

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Comment. It is important to recall that TAN Lark Sye is a close associate of TAN Kah Kee and owes his position to him. The circumstances surrounding the fire at the Aik Hoe plant are subject to considerable question. The Police investigation of the case has made no real progress. The plant buildings are known to have been in poor condition, and TAN himself talked of rebuilding a short time ago.

There was a definite reason for the gift of (Straits) \$300,000 to the University of Malaya. TAN was deeply involved in exchange manipulations and was caught by the Foreign Exchange Control. The sum involved was (Straits) \$300,000. To avoid unfavorable publicity or embarrassment, TAN arranged with the Government to make a donation of this amount to the University.

TAN's four children have just been sent to the United States to continue their studies.

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